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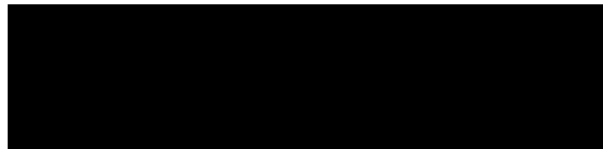
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20 AUG 1954

MEMORANDUM FOR: Assistant Director for Personnel
SUBJECT : Report of Progress and Program Plans

Attached are the Reports of Progress and Program Plans submitted by the Staffs and Divisions of the Office of Personnel, together with a brief summary of highlights from those reports.



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Acting Chief, Planning and Analysis Staff

Attachments

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Refer to
"Highlights"
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Highlights

HIGHLIGHTS
PROGRESS REPORT AND PROGRAM PLANS

1 January - 31 December 1954

I. PROGRESS REPORT (1 January - 30 June 1954)

The most significant long-range development during the six month period from January to June 1954 was the firm establishment of the concept that the Agency's career service program as contemplated by the CIA Career Service Board is an integral part of the Agency's total personnel management program. This factor influenced a restructuring of the administrative organizations supporting the career service program to stimulate its full integration into the Agency's personnel program.

During this period, the intensive drive to complete study of various issues which had been considered by the CIA Career Service Board was an important factor in the work program of the Office of Personnel. Members of the Office participated in the deliberations of a number of special task forces and working groups and the Office furnished both professional and administrative support to these groups. In point of time, the Legislative Task Force and the Insurance Task Force required more support than most of the other groups.

On a more immediate basis, the conduct of day-to-day operations has been improved by concentration on in-service placement activities, position analysis, personnel reporting and recording systems, and employee services. Streamlining and refining of related personnel processing procedures has been emphasized in each of these areas as well. The attached reports from the Divisions concerned elaborate on this point in greater detail. Highlights have been the development of closer liaison between the Placement Officers and the component Career Service Boards as the latter elements achieved a more active role in personnel management and the better service provided in the screening and selection of applicants and employees which resulted in part from improved qualification records and the greater availability of Agency-developed qualification requirements obtained through the position analysis activity.

II. PROGRAM PLANS (1 July - 31 December 1954)

Program plans for the next six months are directed toward the objectives of (a) realizing full integration of career service concepts into the total personnel program and giving meaning to these concepts by specific courses of action, and of (b) continuing to improve and extend the full scale of activities and services carried on by the Office of Personnel.

The resolution of secondary policy issues underlying the philosophy of obligations and benefits expressed in the Career Staff application form will be essential. When this has been largely accomplished, necessary regulatory amendments and an employee handbook concerning career service will be prepared.

The task of carrying out the selection process for the Career Staff will be an important and substantial one. The volume of work in this activity will be much higher during the next 9 to 12 months when it is expected to complete selection from those eligible 1 July 1954 than later.

Plans for improving and extending other phases of the personnel program are detailed in the attached reports. Highlights include the following:

- a. Development of mobilization plans including a system for establishing and maintaining a CIA Reserve.
- b. Completion of procedures for obtaining "post report" questionnaires to provide information necessary for current and complete briefing of individuals departing for overseas assignment.
- c. Completion of a revised and enlarged system for obtaining and recording qualifications data.
- d. Implementation of approved recommendations resulting from the recent survey of operational security of the maintenance and control of personnel records.
- e. Presentation of a series of training sessions designed to increase and broaden the professional knowledge of members of the Personnel Career Service.

Planning and
Analysis Staff

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PLANNING AND ANALYSIS STAFF

Progress Report and Program Plans
1 January - 31 December 1954

1. Plans Branch

a. Accomplishments

Much of the work of the Plans Branch was devoted to providing professional support and a variety of technical and clerical service in the development, coordination and presentation of staff papers, regulatory, procedural and informational issuances, and visual aids in connection with the activities of the CIA Career Service Board and its subordinate elements. Typical projects of this type were the preparation of the report of the Legislative Task Force which required polishing in both technical and editorial aspects, the development of the Promotion Regulation and implementing procedures, and the review and analysis of a large volume of policy proposals drafted by working groups established to finalize decisions reached by the Board.

Substantial effort was also directed toward meeting current requirements for regulations and procedures designed to lend uniformity and continuity to all phases of personnel management in the Agency. Effort was made to re-evaluate previously issued Regulations in the light of current requirements and to complete initial coverage of the scheduled outline of Regulations. The cumbersome coordination procedure and divergent views among Agency components on basic policy issues made it difficult to accomplish these objectives. Nevertheless, many Regulations were published and supplemented by appropriate Office of Personnel memoranda. Some of the more important

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The announcement of the President's legislative program for Federal employees and a variety of bills introduced by members of Congress created considerable activity in the review and analysis of legislative proposals. Probably the greatest number of bills reviewed were in the retirement area and had little expectation of serious consideration until publication of the Kaplan Committee Report. Less numerous, but probably more actively considered, were proposed fringe benefits, amendments to the leave system, pay increases, and penalty provisions for employees convicted of disloyalty or pleading the Fifth Amendment in response to Congressional inquiries. Of particular interest to the Agency was the proposed exemption of CIA from the Performance Rating Act of 1950, which was recommended by the Office of Personnel in 1950.

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The Branch also assumed responsibility for some of the survey activity pending the activation of the Analysis Branch. The most comprehensive project in this area was a survey to evaluate the effectiveness and value of the placement follow-up program which was carried out with the cooperation of the Placement and Utilization Division.

The Branch received an increased volume of special inquiries on technical matters in such fields as retirement, leave, dual compensation, overtime, and periodic step increases. Efforts have been made to broaden the competence of the Branch so that expert advice and guidance can be given in all technical areas. Since it is rare to find individuals of expert competence in all such fields, the Branch's goal has been to gain expert representation within the Branch as a whole. The number and variety of difficult technical questions referred, formally and informally, to the Branch bespeaks some success in this direction.

b. Program Plans

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25X1A It can be expected that a major part of the Branch's activity during the next six months will be devoted to a mopping up operation to correct the conflicts and inconsistencies in various Regulations and procedures brought about by the hurried publication of basic issuances relating to the Career Staff. One of the most important of these is revision of R [REDACTED] Personnel Policy, which currently states that all staff employees and staff agents are career employees while newly issued R [REDACTED] limits career status to those staff employees and staff agents found acceptable for the Career Staff by the Selection Board. Adjustment of existing material concerning career designations to accommodate the service designation and its possible multiple assignment is also urgent.

25X1A Continued emphasis will be given to the development and coordination of other regulatory issuances to complete initial coverage of the [REDACTED] series schedule. Several important Regulations currently in the coordination process can be expected to return to the Branch fairly soon for reconciliation of comments. This category would include: [REDACTED] A
Tours of Duty (including reassignment for [REDACTED])
Compensation for Injury or Death; and R [REDACTED]
preparation of [REDACTED]
issuances will be given particular attention.

Activity in the review and analysis of legislation will presumably be reduced by recess or adjournment of Congress. If, however, currently pending legislation is enacted, necessary adjustment of Agency Regulations will consume a good bit of time.

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2. Statistical Reporting Branch

a. Accomplishments

The Branch has increased the scope of reports provided to Career Services in order to implement the promotion policy and other aspects of the Career Program. In addition, the longevity computation date, the date of grade in current service and the entry on duty date has been established in machine records for each Staff Employee in the Agency. The availability of these dates will facilitate the preparation of many types of reports in the future. The Branch played a major role in the preparation of several over-all Agency reports for use by the Director. A project was initiated to record comprehensive personnel data in machine records which can be maintained on a current basis. Systems were also established to provide periodic verification of machine records with personnel information in the Position Inventory and other official records. The number of requests for special reports increased considerably as a result of increased recognition of the ability of the Branch to produce them.

b. Program Plans

Particular effort will be made during the next six months to improve procedures for maintaining current comprehensive personnel data on all Staff Employees, Staff Agents and detailed military personnel and to expand the use of machine records techniques in the development of reports. We expect to further expand the scope of our reporting activities in relation to Career Services. Final approval of the comprehensive Personnel Data Questionnaire and the implementation of procedures to insure that they contain current information is basic to both of these activities. The Branch will also participate in developing procedures for the maintenance of necessary personnel data on individuals in the various contract categories for which records are maintained in the Office of Personnel. The Branch expects to expand its present limited facilities for the production of charts and graphs which are necessary to illustrate personnel reports.

3. Mobilization Planning Branch

a. Accomplishments

The Mobilization Planning Branch was established on 26 May 1954. Although the Branch has only been partially staffed, preliminary plans have been developed to guide the operations of the Branch and initial contacts have been made with representatives of various military services in an effort to begin plans for the development of a training program for Agency military reserve personnel.

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b. Program Plans

Much of the Branch's activity during the next six months will be concerned with resolving policy questions which are basic to the establishment of an Agency reserve program and with developing procedures for arriving at sound qualitative and quantitative estimates of Agency civilian and military mobilization requirements. The military aspect of the reserve program will probably require most effort initially due to the many questions which are raised concerning the way in which our military reserve personnel will fit into the Agency reserve program. This will require considerable liaison with the military services and the Department of Defense.

4. Analysis Branch

a. Accomplishments

The Analysis Branch was established on 26 May 1954. Although the Branch is not yet fully staffed, the present members of the Branch have participated in several survey projects under the direction of the Staff and other components of the Office of Personnel. Since 16 August 1954, when the Chief of the Branch reported for duty, the Branch has undertaken a review of the report of the Task Force on the Security of Personnel Records and will follow up on methods of implementing the recommendations in the report.

b. Program Plans

It is anticipated that the Branch will concentrate during the next six months on studying procedures in the Office of Personnel and in Personnel Offices in operating components. These studies will be necessary in order to implement the recommendations which will be developed from the current study of personnel activities in the Logistics Office and result in clarification of areas of authority and responsibility. The Branch will also concentrate on studies of matters relating to personnel management problems of field installations and the manner in which headquarters support is provided for personnel activities in the field. Although this type of inquiry will ultimately require field inspection trips, it is doubtful that such trips can be made during these early stages of the Branch's development.

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Spec. Contract. Allow.
and Process. Staff

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Special Contracting, Allowances and
Processing Staff Progress Report for
the Period 1 January 1954 thru 30 June
1954

During the reporting period this Staff moved into new quarters. We now have more operating room which has resulted in increasing office efficiency and improved physical security as well as office morale.

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As of 30 June 1954, this Staff has on record over [REDACTED] individuals in seven categories under covert contract. Of this number, approximately [REDACTED] represent new contracts during the reporting period, an additional [REDACTED] required some type of formal action such as substitute contracts, amendments, or renewals. In addition, numerous others required informal action for which no records could be maintained.

During the reporting period, [REDACTED] Letters of Authorization were prepared for Military Details. In addition, [REDACTED] others required some other type of formal action primarily in the form of amendments.

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Also, as of 30 June 1954, this Staff has on record approximately [REDACTED] Staff Agents. Approximately [REDACTED] represent new Staff Agents processed and brought on board during the period. Since these individuals are entitled to all Staff benefits, their files must of course be processed on a continuing basis. In addition, approximately [REDACTED] personnel actions were processed by the Staff Agent Section.

Volume reporting with respect to Cover Agreements is not indicative of the time consumed on this phase of our operations since each of these agreements must be individually written and are frequently very complex.

As of 30 June 1954 we have on record approximately [REDACTED] individuals drawing equalization allowances. These grants must be reviewed periodically and are subject to frequent amendment because of changes in living costs, compensation, and family status.

As the Office of Personnel representative at Administrative Plan meetings, the Chief of this Staff or his designee participates in approximately three such meetings per week.

During the reporting period, approximately [REDACTED] contracts were reviewed, of which approximately [REDACTED] required rewriting by this Staff. This Staff is still acting as depository for such contracts, but it is anticipated that in the near future they will be returned to the operating

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division concerned for retention.

In addition to preparing the regular monthly strength report and the quarterly expiration notices during this reporting period, the Staff was called upon to prepare numerous special statistical reports.

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Special Contracting, Allowances and
Processing Staff Program Plans for
1 July 1954 through 1 December 1954

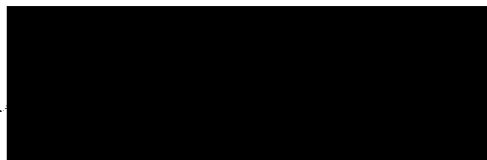
While no major changes are contemplated in the substantive functions of this Staff during the next six months, this Staff is always striving to improve the efficiency of its operations and the security of its processing methods.

This Staff is presently working in conjunction with the Processing and Records Division to develop more expeditious and secure procedures for handling Staff Employee conversions.

It is hoped that during the next six months the Agency regulations on contract personnel prepared by this Staff will have received all the necessary concurrences and will be ready for publication. These proposed regulations correct errors which exist in the current regulations and also fill a gap with respect to Agency policy governing the emoluments applicable to such individuals.

We will continue to coordinate our record-keeping procedures with the other Agency components concerned with same and make whatever adjustments are necessary in order that required data are always readily available.

We intend to continue to exert pressure on the area divisions by means of an educational program to get to this Staff all field agents' contracts and memoranda in lieu of contracts in order that our records on field agents can be made more accurate, and we can more fully exercise the review function with respect to field contracts imposed upon us by Agency regulations.



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Career Service
Staff

13 August 1954

MEMORANDUM FOR: Deputy Assistant Director for Personnel

SUBJECT: Six Months Report on Progress and Program Plans

REFERENCE: Memorandum for Staff and Division Chiefs, Office of Personnel, Same subject, dated 23 July 1954

1. The Career Service Staff officially activated as of 3 August 1954 is, according to its mission,

"responsible for directing and coordinating the implementation of Agency policies in regard to acquiring and retaining membership in the Career Staff; for providing administrative and specialized professional support to the Assistant Director for Personnel in his capacity as Chairman of the CIA Career Council and as Chairman of the CIA Selection Board; for supporting the Assistant Director for Personnel in his responsibility for directing the selection program established in R-██████ for coordinating the determination of criteria for the evaluation of abilities, capabilities, and of efficiencies in order to determine an individual's suitability for selection into the Career Staff; and for providing administrative support to the CIA Honor Awards Board and such other Agency-wide boards and panels as are constituted under the aegis of the CIA Career Council. The Chief, Career Service Staff will concurrently serve as Executive Director of the CIA Selection Board."

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2. Since the Staff came into existence subsequent to 1 July 1954 a progress report can not appropriately be made. However, those functions in the statement of mission that derive from Secretariat Branch, PRDS and from the duties of the Special Assistant for Career Service, Office of the Assistant Director for Personnel, are briefly summarized as

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follows for the period 1 January 1954 to 30 June 1954.

a. CIA Career Service Board. The CIA Career Service Board met seventeen times during the period. The Secretariat prepared supporting papers and performed numerous research and planning activities for the Board. In April the Board authorized activation of six special task forces which were to consider various phases of the Career Service Program, and to make reports to serve as the subject matter of an Agency-wide Career Service Conference. The Secretariat chaired and staffed each of these task forces.

b. Honor Awards Board. During the period the Honor Awards Board held eighteen meetings, and in addition to consideration of cases, made considerable progress in activation of additional awards, revision of regulatory material, and improvement in procedures. The Secretariat did all staff work for the Board.

c. Professional Selection Panel. The Panel met four times during the period. It was mainly concerned with consolidation of its case material, drawing conclusions from its activities and contributing of its experience to the newly formulated concept of the Career Staff. The Panel ceased activity during this period. The Secretariat did all staff work for the Panel.

d. Other Activities. Among other activities during the period were staffing and processing of cases for the utilization of Career Development Positions, and secretariat and administrative support to other Career Service Board sponsored groups such as the Insurance Task Force.

3. Program plans in the order in which it is hoped they will be accomplished are as follows:

a. Preparation for, and execution of, plans re the Career Service Conference (this was held 3 August and occupied the time of most Staff members for a number of weeks).

b. Assisting in the preparation of a brochure pertaining to the Conference and the questions that were received concerning the new Career concept (transcripts of the Conference proceedings and certain of the questions have been made available to appropriate officials). Work is proceeding on consolidation of the balance of the questions received. This has high priority since

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a commitment was made to those present at the 3 August meeting concerning a brochure which would contain this information. An analyst is, at present, working on this.

c. Formulation of procedures for processing applications for the Career Staff. This will be accomplished before 1 September.

d. Determination of eligibility criteria. This also is a top priority, and these criteria should be available prior to consideration of applications since they will be applied by discrete groups drawn from the Panel of Examiners. Work is proceeding in this area.

25X1A e. Transmittal of memoranda and applications to those eligible for Career Staff membership as of 1 July 1954 (approximately [REDACTED] persons). It is hoped that these will begin to move on 1 September and that all will be in "active status" within a month. Approximately [REDACTED] additional persons will become eligible during the balance of the year and, it is hoped they will be furnished applications during the period. 25X1A

f. Processing of applications as returned. This involves activation of Selection Panels, briefing of each applicant's personnel folder, liaison with the Security Office, Medical Staff, and Office of Training on each applicant, and (after Examining Panel recommendations are obtained) review and decision by the Selection Board. As a corollary to this activity, regarding each individual case, will be secretariat support to each of the Panels and of the Selection Board (the Board has already met once). Estimates on accomplishment of this portion of the mission of the Staff are as follows:

1. A few applications (Board and Panel Members) have already been processed.

2. If the return flow of applications begins (as expected) on 1 October, the first Panel can convene on 15 October. Assuming that approximately twenty cases are to be handled by a Panel in a day, 1,000 cases can be processed by 31 December. Of these, approximately 800 will have gone before the Selection Board by the end of the year.

3. Assuming this rate of processing will continue, all applications for those eligible as of 1 July 1954 will have been processed by 1 September 1955.

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g. Secretariat service to the CIA Career Council. (There has already been one meeting.) This activity probably will be essentially similar to that concerned with the CIA Career Service Board, and involves administrative support, preparation of supporting papers, etc. Frequency of meetings of the Council has not yet been determined. The Selection Board will meet monthly, and will be dealing mostly with recommendations concerning membership in the Career Staff. As such, its agenda and so forth will be of limited scope.

h. Continuing support of the Honor Awards Board, Career Development Program and other Career Staff activity. It is expected that these activities will continue much as in the past, but with an increase in magnitude due to the greater publicity concerning these programs.



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Acting Chief, Career Service Staff

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Personnel Procurement
Division

10 August 1954

MEMORANDUM FOR: Assistant Director for Personnel

VIA : Chief, Plans and Analysis Staff

SUBJECT : Progress Report of the Personnel Procurement
Division for the Period 1 January through 30 June
1954

1. This report covers a period of time in which the recruitment staff has been reduced over a period of one year to the extent that our present manpower recruitment potential approximates that which obtained in the early Spring of 1951. In terms of experience there is little resemblance between the 1951 and 1954 staffs, a factor most important to the present for experience is invaluable to our efforts to meet recruitment demands which accumulate daily through Agency-wide attrition. Thus our experienced staff provides for greater production per man than was the case in 1951, but time is running out for numerous field recruitment officers whose personal interests and job satisfaction have been at odds for some time with the rigors of exhaustive travel and hotel living. We are now faced with the prospect of recruiting replacements even though we have just reduced the staff to the level authorized for this function of the Office of Personnel.

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2. In terms of Division accomplishment, during the past six months, individuals have been recommended for employment and security initiations have taken place on the basis of our recommendations. This represents a favorable ratio of placements to recommendations in view of an experience-dictated expectancy of one placement for four recommended applicants, and generally reflects the effectiveness of an experienced staff. A larger staff was responsible for placements during the July-December 1953 period; the poorer effort by a larger staff was due in part to seasonal recruitment conditions and the unsettled personnel situation which existed during the fall of 1953. However, it is evident that the staff reduction which took place during Fiscal Year 1954 resulted in an increase in the recruitment productivity of the staff on an individual basis.

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During the past six months applicants have entered on duty through the efforts of the recruitment staff. This figure, however, must be viewed in terms of the recruitment effort which took place mainly during the first half of Fiscal Year 1954 because of the clearance and processing time lag. In this regard, this entry on duty figure represents generally the placements recorded for July-December 1953. It is not feasible to interpret too stringently the significance of this figure.

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1 January through 30 June 1954

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cant attrition ratio which [] entries on duty from [] placements generally represents may be attributed to a substantial number of involuntary cancellations which took place among the July-December 1953 placements and reflected somewhat chaotic personnel requirements, decisions and re-directions in various components of the Agency. Little need be said concerning the negative effect such indecision has upon the overall recruitment effort and particularly the efforts of recruitment officers under pressure to supply qualified employment candidates.

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3. The specifics of branch activity, their accomplishments, problems and plans, are best considered on an individual basis because of functional lines of demarcation and, therefore, each will be considered separately.

a. The Specialized Recruitment Branch began the reporting period with 25 personnel requisitions and, despite steady productive recruitment, the period closed with 85 specialized requisitions. As in the past, these figures are somewhat misleading inasmuch as the requisitions do not reflect the number of positions involved. Dissatisfaction with so-called open or unlimited recruitment requests for communications personnel and junior officer trainees for the Office of Training was brought to the attention of the Placement and Utilization Division during the reporting period, and it is hoped that it will soon be possible to identify positively specific vacancies on a weekly basis. Obviously, intelligent recruitment planning is predicated upon accurate knowledge of the progress being made almost daily in the fulfillment of outstanding requisitions. With the reduction in our staff which has taken place during the past year, such planning is even more important than heretofore.

Another factor must also be considered concerning requisitions. This involves certain requisitions not formally processed to the Division but approved for external recruitment by PUD. Anticipatory recruitment of this order is expedient and when properly validated, it takes place routinely. In addition we have covert recruitment requirements which, though they do not appear significant from the standpoint of numbers, are very significant in that they often require the full time of several recruitment officers and generally require more extensive contacts and reporting.

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During the reporting period the Branch accounted for [] recommended prospects and [] placements. Granting a certain amount of overlapping vis a vis recommendations and placement, a ratio of one placement for three recommendations is accurate and reflects good, experienced recruitment. Ninety-three entries on duty are credited the Branch but, because of the time delay involved, this figure reflects recruitment effort which took place prior to the reporting period.

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The workload of the individual recruiter increased during the past six months as requisitions mounted and territorial assignments expanded because of the reduction in staff. Brought into clearer focus were follow-up interviews and field testing assignments, applicants' requests for re-interviews, accommodation interviews requested by departmental personnel and [REDACTED] personnel of the Contact Division, and recruitment contacts, all of which are part of the recruitment process though not normally productive in terms of security initiations. Present plans seek to reduce this type of activity to the minimum in order that productive efforts may be concentrated on routine personnel recruitment demands. The average recruiter workweek for the period was 45 hours; 35% of this time being spent interviewing applicants and contacts, 21% writing reports, 22% traveling, 8% arranging for interviews and scheduling itineraries, 7% screening personnel files in schools, industrial firms, etc., 4% field testing, and 3% on annual or sick leave.

In introducing certain facts concerning Division accomplishments and increased recruiter productivity among the reduced staff in the opening paragraphs of this report, the experience of the Specialized Recruitment Branch was definitely in mind for a comparison of recruitment periods in 1953 and 1954 illustrates these facts decisively. The following is a comparison of recruitment activity for the January-June 1953 and 1954 periods.

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Period	Aver. No. Recruiters	Recommended Cases	Security Initiations	EODs
January-June '53	[REDACTED]			
January-June '54	[REDACTED]			
Loss Factor	55.6%	22.6%	9.2%	12.2%

Present productivity reflects well in comparison to the 1953 record. Incidental to the obvious productivity advantage of the present staff are 1) the added experience and knowledge of the supervisors and recruiters, 2) efforts made to retain where possible the most satisfactory recruiters while the field force was being reduced, 3) more favorable internal circumstances during the past six months favoring successful recruitment, and 4) the natural benefit on an individual productivity basis which accrues from reducing geographic peripheral type recruitment in accordance with the reduction of the field staff. Though there may be advantages seen in utilizing a smaller staff, it must be borne in mind that there are practical limitations to our "doing more with less." If the recruitment workload

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is to approximate estimates given by PUD in May, it is highly probable that we will have to seek recruitment assistance outside of the Division though it is to be expected that efficiency will be sacrificed in so doing.

Good progress has been made during the past six months in the development of established recruitment sources. Stability of geographic assignments has assisted our efforts in this regard. With the reduced staff, however, a decided limitation has been placed on the potential for expanding leads and sources. Of particular note has been the work accomplished with Division consultants serving mainly in support of the Junior Officer Training Program. Our recruiters have been able to maintain contact with and profitably use the thirty-six University consultants presently established. Undoubtedly our ability to handle fifty University consultants will tax the recruitment staff and the University Liaison and Recruitment Officer, but fears of ineffective handling of the consultants which have been expressed by the Chief of the Junior Officer Training Division are not shared in this quarter if the Branch can be maintained at full strength.

Several notable recruitment successes bear mention regarding the Branch. From October of 1953 through June of 1954 a concentrated effort was made to fill a backlog of vacancies in the Office of Communications. That this effort was successful is attested by a 2 August 1954 memorandum from the Assistant Director for Communications to the Assistant Director for Personnel commending recruitment in behalf of his office. Further recruitment may now proceed on the basis of an estimated attrition of 13 employees per month.

A second special recruitment assignment for the Office of Research and Reports for junior professional personnel resulted in the filling of all but four of fifty vacancies as of 30 June 1954. A third special assignment, from the Medical Office, has resulted in the expression of appreciation for the recruitment of psychiatrists for field assignments. This recruitment was carried out under rather complicated circumstances, including a semi-covert approach to all prospects as dictated by the MO. Also, successful covert recruitment assignments were carried out for EE, FE and SR.

Plans for the coming six month period of recruitment center about efforts to increase the joint productivity of the specialized and clerical recruitment staffs. Toward this end clerical recruiters have been briefed by the chief of the specialized staff regarding selected requisitions which they may act upon profitably in conjunction with the clerical recruitment activity. This will supplement to some degree the 40% effort of the specialized staff to recruit clerical personnel. Through combined effort of this

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and that increased specialized and clerical productivity will result. Where

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possible, field referrals and special assignments will be given to clerical recruiters consistent with their itineraries and individual capabilities. A constant watch will be maintained to insure that the total clerical effort is not jeopardized in attempting to give essential coverage to specialized needs.

In the main, the Branch will be concerned with the refinement of recruitment techniques and the curtailment of all field services which do not bear directly upon productive recruitment. Though easy to state as an objective, accomplishment will be difficult, for in the past the Division has enthusiastically performed a large variety of services for various offices. The withdrawal of such services will not be welcome but, in the interests of directing each field officer in the most fruitful recruitment channels, it must be done.

Finally, efforts will continue to assist PUD wherever possible in its efforts to pinpoint external recruitment demands. With more exacting PUD action in drawing from operating offices bona fide and definitive recruitment requisitions will come more effective Branch planning and direction of the reduced staff.

b. The Clerical Recruitment Branch was accorded much unwelcome attention during the reporting period owing to the critically short supply of clerical personnel within the Agency. Two major factors beyond the control of the Branch but arising from internal Agency circumstances were instrumental in bringing about the clerical employee shortage. The first factor involved the ban upon advertizing, the number one source for qualified clerical applicants, which began in October of 1953 and was not lifted until 2 June 1954. No criticism of the wisdom of this ban is intended, but the fact that the effectiveness of our clerical recruitment through the first three months of the reporting period was reduced by about 44% has been accurately established. The second factor involved curtailment of Agency funds for the Interim Assignment Branch in the late Fall of 1953. This precluded use of the provisional clearance in recruitment and for the first three months of the calendar year reduced our effectiveness to a considerable degree.

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Accomplishments for the January-June 1954 period include a total of [REDACTED] recommended applicants which resulted in approximately [REDACTED] security initiations. During the same period, [REDACTED] applicants recruited mainly in the previous six months reported for duty. Throughout the period the clerical field staff remained at or one below the established strength of eight recruiters.

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duction records than could be reasonably expected. In keeping with past experience, government reduction-in-force programs were exploited without appreciable profit and only a concentrated and highly successful school recruitment program brought relief for the clerical shortage.

As was reported regarding the Specialized Recruitment Branch, 1953 and 1954 comparative figures for clerical recruitment present a basically similar picture concerning increased productivity per man within the present reduced staff.

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Period	Average No. Recruiters	Recommended Cases	Security Initiations	EODs
Jan. - June '53				
Jan. - June '54				
Loss Factor	52.6%	63.1%	39%	48.3%

It will be noted that the loss factor in security initiations and entries on duty did not equal the staff loss, this indicating greater individual productivity. The added productivity of this smaller staff vis a vis security initiations and entries on duty would most certainly have been greater if advertising and use of provisional clearances had been available to recruiters during January, February and March of 1954.

There is a final factor of note concerning productivity which bears mention. Clerical recruitment production is of course dependent upon Agency need and the fact that an over-supply of a specific category of clerical personnel comes about, thereby reducing production as the surplus is turned away, must be anticipated if the field staff is to be directed intelligently and profitably. Early in the reporting period general clerks were not accepted and some cancellations were effected because immediate Agency needs for them were not apparent. This situation existed for a brief time and then was quickly dispelled by a requisition to fulfill a critical general clerk shortage in Records Integration. That this type of failure to predict needs takes place obviously hurts the productivity record of clerical recruitment, alienates qualified clerical prospects, and discredits our claims of needs with established recruitment sources. In view of the overall critical status of the clerical labor market, we cannot afford this type of miscalculation insofar as recruitment is concerned; certainly clerical shortages which endanger the successful execution of Agency missions is the primary reason why we cannot afford such miscalculations. Therefore, it is abundantly clear from the standpoint of recruitment that we must be accurately informed at all times of clerical vacancies and insofar as possible, we must be equally well informed of anticipated attrition among

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the various categories of clerical personnel.

In clerical as in specialized recruitment, plans for the immediate future call for varying degrees of the sharing of each type of recruitment by the field staffs. The clerical recruiter is not to be permitted to lose sight of his primary mission, but in expediently relieving the specialized recruiter of certain field assignments, it is expected that more than a proportionate product in clerical recruitment will accrue from shared responsibilities and better area coverage. It is planned that 40% of the specialized recruitment effort, or approximately 100 placements, will supplement the clerical branch effort.

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The deployment of clerical recruiters is excellent as present and an additional recruiter now in process will be stationed [REDACTED] upon entrance on duty. This will give the Branch broad coverage in those areas which have been most productive in the past. A second clerical recruiter is in process and will fulfill anticipated attrition because of an expected transfer within the Branch. Barring the unforeseen, it is expected that understaffing will not become a problem during the next six months.

Close contact will be maintained with PUD's clerical placement staff and every effort will be made by the supervisor to assist in pinpointing vacancies and anticipating varying types of clerical attrition. As previously noted, this must be done if intelligent use of our recruitment force is to be made.

c. The Departmental Recruitment Branch showed a decrease in activity over a corresponding period of time one year ago. Obviously, because of the nature of its function, external factors are largely responsible for reduced activity. Productivity is geared to both the quantity and quality of applicants coming to the Branch offices and to the personnel demands of the Agency.

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Applicants interviewed and recommended during this period were [REDACTED] for the same period in 1953. Security initiations for the 1954 period were [REDACTED] for the preceding year's first six months. Entries on duty were [REDACTED] for the corresponding six months in 1953.

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In the main, the explanation for the difference in these figures lies in local employment conditions. The first six months of the new administration saw numerous emergency agencies disbanded, and reductions in force assisted in the promotion of a steady stream of applicants who visited the

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Branch. By the Fall of 1953 this source of applicants had dwindled considerably and during the past six months, little activity in the Branch resulted from reductions in force or other major reallocations of Government personnel.

Figures reflecting Branch activity during the July-December 1953 period fit in the pattern previously indicated in that recommended cases, security initiations and entries on duty complete the picture of a steady decline in the business of the Branch over an eighteen month period. The present staff has decreased from five to four interviewers and from three to two clerical assistants in keeping with the reduced activity of the Branch. Though the Branch is the Division's largest consumer of overtime, an equitable staff alignment is presently established and should be maintained for the current level of applicant traffic in the Branch is expected to remain stable except for normal seasonal variations.

The outlook for the Branch in the coming months is generally good, taking into consideration the fact that the next six months are normally less productive than the spring months. Attrition has produced and is expected to produce firm vacancies; successful efforts to anticipate attrition should assist the Branch in making a good seasonal record for productivity.

4. The outlook and plans for the Division for the coming six months have been incorporated into separate Branch considerations. In summary, Division efforts to refine and make more productive recruitment techniques and sources will continue in face of a normally expected seasonal decline in production. It has hoped that the present staff strength will not be further disturbed and that the process of adjusting to increased demands with a reduced staff may continue without interruption.

Maintaining a full staff in the Specialized Recruitment Branch is expected to be a problem during the coming six months. By 1 September the field staff will number ten, its authorized strength. It is quite likely that this figure will be nine rather than ten by this date, and by November it is probable that the staff will be reduced to eight. At this time there are no specialized recruiters in process of being cleared, though selected recruiters have been advised to look to the replenishment of their own kind in terms of outstanding prospects.

Finally, consolidation of appropriate specialized and clerical recruitment activity by each staff will be developed in the interests of greater area coverage and increased productivity. As previously noted, efforts to assist PUD in any way possible in determining specific vacancies, projecting attrition requirements, and in improving personnel

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Placement and
Utilization Division

PLACEMENT AND UTILIZATION DIVISION

During the first six months of 1954 emphasis has been placed on the realignment of Division functions to the requirements posed by a shift in emphasis from external recruitment and placement to internal placement and utilization.

Placement Branch - Progress for First Six Months of 1954

1. A survey of the placement follow-up program has resulted in several procedural refinements in the implementation of this program.
2. The Placement Branch assumed the primary responsibility for the preparation and submission of cases to the recently established Agency Reassignment Board.
3. Responsibility was also assumed for the administration of the Agency's recently revised promotion policy.
4. During this six months period, working relationships with Career Management Officers, Personnel Officers and Career Service Boards have been improved. Within the Clandestine Services, Placement Officers continue in their direct support of the Career Service Boards and attend all Board meetings. A Placement Officer has also been assigned to the Career Service Board of the DD/A and attends all Board meetings. The Deputy Chief, Placement and Utilization, now serves as Chairman of the Personnel Career Service Board's Rotation Planning Committee.
5. The Security-Medical-Personnel Review Panel of which the Chief, Placement and Utilization Division, is Chairman continues to demonstrate its effectiveness in the review of questionable in-process cases on a coordinated basis.
6. The Placement Branch has reviewed an increasing number of position Qualification Requirements and has coordinated with the Classification and Wage Division on the establishment of Qualification Standards. During this period the Placement Branch has provided the Classification and Wage Division with a Placement Officer on a part-time detail in connection with the Logistics Office special survey. In addition to the Logistics Office survey, this Branch has also coordinated with Classification and Wage Division on the survey of the

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respective functions of the Office of Personnel and component Career Service Boards.

7. During the first three months of this period, the clerical situation changed from that of a supply of clerical personnel sufficient for anticipated needs to one of critical shortage. In the last month of this period, there was every indication that this shortage was being mitigated due to intensified recruitment and resorting to provisional clearances. Special DD/P projects accounted for a substantial portion of the clerical vacancies, but the principle source of increased clerical requirements appeared to be the fact that the T/O's established during this period reflected clerical vacancies in May that were not anticipated the previous December. The Clerical Placement Branch is working closely with the DD/P Clerical Career Service Board and long range clerical requirements have been established. With entrance on duty of the desired number of clerical personnel, and as replacements become available, the implementation of the Clerical Overseas Questionnaire will be effected by the rotation of headquarters personnel into overseas positions.

8. The principle problem confronting the Branch during this period has been that of integrating and coordinating the joint efforts of the Career Management Officers, Personnel Officers, and Placement Officers, particularly in the DD/P and DD/A components with respect to:

- a. Unassigned personnel
- b. Reporting and filling vacancies
- c. Reassignments to effect more suitable utilization

a. The problem of unassigned personnel has to do primarily with persons returning from overseas for whom a position is not available in their immediate Division. A critical problem in January has been reduced considerably during this six months period. This has been accomplished in large measure through the joint efforts of the Placement Officers and Career Management Officers. Placement Officers in particular were required to devote a greater part of their time in dealing directly with operating and administrative officials on each specific case. A roster of unassigned personnel is now being prepared to provide all Placement and Personnel Officers a complete and current list of these priority cases.

b. Reporting and Filling Vacancies -- Progress has been made in expediting the reporting of valid vacancies, and, consequently, in the submission of nominees to fill specific needs. During the past six months external recruitment of professional personnel has been deferred in favor of internal reassignment. A comprehensive vacancy roster is now being maintained and is proving a valuable placement tool.

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have been undertaken in a relatively few critical cases in view of the scope of the unassigned personnel problem. During the later part of this period, however, the diminution in unassigned cases permitted the expenditure of more time on reassignment cases. The Reassignment Roster has been revised and procedures established to enhance its effectiveness.

9. Procedures for implementing the new Career Development Program for Junior Personnel (Agency [REDACTED]) have been developed to the stage of final coordination with the Office of Training.

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10. This Branch has assumed the administration of State Department details. One of the Senior Placement Officers has had a number of conferences with State Department officials with the aim of resolving the many procedural problems involved in arranging such details. A complete roster of State details has been prepared, and the necessary plans are being made to anticipate the termination of current details.

Placement Branch - Plans for the Last Six Months of 1954

1. The primary aim of this Branch during the next six months will continue to be that of rendering maximum support to operating components with respect to their personnel problems by:

a. Refining our internal procedures to allow Placement Officers more time to devote to the substantive problems of the placement of unassigned personnel, reassignments to effect better utilization, and the follow-up program.

b. Increasing our direct support to component Career Service Boards in order that Career Management Officers can develop positive programs of career planning for their respective career components.

c. Coordination of the efforts of Personnel and Career Management Officers to effect a more expeditious resolution of returnee and reassignment cases.

d. Providing greater expedition in the filling of vacancies internally or in making the determination that external recruitment must be resorted to and, if the latter is the case, providing for better coordination between PPD and requesting officials with respect to all categories of prospective employees.

2. This Branch must also include in its planning:

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- a. Activation of the new Career Staff
- b. Introduction of the Fitness Report
- c. The submission by overseas personnel of special returnee questionnaires
- d. The administration of the Junior Career Development Program

Control Branch - Progress for First Six Months of 1954

1. During this period progress has been made in servicing Placement Officers with respect to the screening of applicant files. Files forwarded to Placement Officers reflect to a greater extent than previously cases of specific interest to operating components.

2. The screening of cases for inclusion on the Applicant Register has been intensified with the aim of having this Register comprise only those cases of potential usefulness to the Agency.

3. Internal procedures for facilitating the use of both the Applicant and Employee Registers have been established.

4. A Consultant Qualifications Register is being established to provide an inventory of the Agency's overt consultant resources.

5. The introduction of the Vacancy Report has permitted a more accurate screening of applicant files. This report is now published once a month with only changes published weekly.

6. Maintenance of a PER Register as an adjunct to the Employee Register proved impracticable during this period and consequently was abandoned.

Control Branch - Program for the Last Six Months of 1954

1. The increased use of the Employee Register during the previous period is indicative of the importance of the role of this device in relation to our internal placement program. In view of this, plans are being made to improve the quality of the Employee Register by the use of a special questionnaire developed in conjunction with the Planning and Analysis Staff. Emphasis will be placed on obtaining a complete and current inventory of employee qualifications.

2. Another program for the next six months is that of bringing the Applicant Register up to date. This will be done by mailing forms to those now on the Register to be filled out and returned if they are still interested in prospective Agency employment.

3. The completion of the Consultant Qualifications Register is

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a significant part of this Branch's program for the coming six months.

Testing and Evaluation Branch - Progress for the First Six Months of 1954

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1. The number of tests administered during this period steadily increased. The total number of applicants and employees tested was [REDACTED] tests administered. The majority of examinees were tested for clerical-stenographic positions.

2. A matter of constant concern during this period has been the search for new tests and materials that might prove more suitable than those now in use.

3. This Branch has continued its support of the field recruitment testing program. Six recruiters were trained in test administration and seventy-six test supply kits were issued.

Testing and Evaluation Branch -- Program for the Last Six Months of 1954

1. This Branch will continue to emphasize its role of providing a comprehensive personnel testing service.

2. A specific goal is the conduct of a series of familiarization courses in testing principles and methods for Placement Officers and other administrative personnel.

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3. Also of special concern is the revision of the draft of the proposed CIA Regulation No. [REDACTED] "Testing," in order to expedite the early approval and publication of this Regulation.

4. Due to the current emphasis on recruitment, a heavier testing load is anticipated than during the corresponding six months of last year.

Interim Assignment Branch - Progress for the First Six Months of 1954

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1. A total of [REDACTED] new employees entered on duty in the IAB during this period. The maximum number of personnel for any one day was 132 on 30 June 1954 and the minimum was 31 on 21 May 1954.

2. A total of 262 individuals were referred to the Clerical Induction Section, OTR, for an average of two weeks training in short-hand and typing.

3. A total of 154 major work projects were completed during the period. The maximum number of projects for any one week was 34 and the minimum was 20.

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4. The Fire and Evacuation Plan and the Air Raid Disaster Standard Operating Plan were prepared for the information and guidance of all employees located in Curie Hall.

Interim Assignment Branch - Program for the Last Six Months of 1954

1. Plans for this period will be revised to accord with the anticipated daily maximum average of 125 persons in the IAB.
2. Continued emphasis will be placed on providing suitable work projects on a sustained basis for IAB personnel.

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Employee Services
Division

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Employee Services Division

DATE:

FROM : Chief, Insurance and Claims Branch

SUBJECT: Semi-Annual Progress Report and Program Plans

There follows a progress report on the functions performed by the Insurance and Claims Branch during the period 1 January through 30 June 1954. There is also attached a program plan for the Insurance and Claims Branch for the period 1 July through 31 December 1954.

War Agencies Employees' Protective Association

1. Listed below is a summary of actions in the administration of the War Agencies Employees' Protective Association life insurance program during the period 1 January through 30 June 1954.

2. During the reporting period, three hundred eleven new applications for life insurance were approved and processed. This volume represents an addition of approximately four million dollars in face value of life insurance during this period.

3. During any given period of time, a certain percentage of life insurance contracts are cancelled out, particularly those which have been purchased to cover a tour of temporary duty only, as well as resignations from the Agency. During the reporting period, one hundred fifty-six such cases have been cancelled out leaving a net of one hundred fifty-five contracts for this period. It may be appreciated that the cancellation of a contract demands approximately as much administrative handling as does the acquisition of new business, as reports must be made to the Underwriter and refund payments must be made to the insured for whatever period of time his premiums may be paid in advance. The gross number of life insurance policies now in effect, as of 1 July 1954, is one thousand seven hundred eighteen which represents a face value of approximately twenty million six hundred thousand dollars of term life insurance without regard to the fifteen thousand dollar accidental death benefit which is automatically made a part of each contract. During this same period, two death claims were processed by the Branch and paid by the insurance Underwriter. Both of these settlements were in the amount of twenty-seven thousand dollars.

4. The Chief, Insurance and Claims Branch has by virtue of his position as the head of this Branch and as a member of the Insurance Task Force played an important roll in the recent Insurance Task Force studies and recommendations to the Career Service Board. In its final meeting of 30 June 1954, the CIA Career Service Board accepted and approved the recommendations of the Task Force with respect to the

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Agency personnel. It is anticipated that these new contract benefits will be made available to Agency personnel early in August 1954.

Group Hospitalization, Incorporated

1. Since the stateside drive for membership in Group Hospitalization, Inc. became effective on 2 March 1953, a great growth of this program naturally took place during the three months' period allotted to the drive which ended 1 June 1953. As of 1 July 1953 this Office had received and processed [REDACTED] applications for GHI insurance, the great majority of which carried both surgical and hospitalization benefits. During the reporting period, three hundred ninety new applications were received and processed. At first glance, this would seem to be a relatively small number, but with the termination of the drive, new membership has been curtailed on account of GHI regulations which permit acceptance of only new employees entering on duty plus such employees who transfer in from one of the many Blue Cross and Blue Shield plans located within the forty-eight states, or new employees transferring their GHI contracts from former places of employment.

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2. During the above period, the Insurance and Claims Branch has transferred out one hundred seventy-three contracts, which leaves a gross balance of [REDACTED] GHI contracts in effect as of 30 June 1954. During this period, the Branch has processed one thousand two hundred seventy-nine claims for hospitalization and/or surgical benefits. The processing of these claims demands a heavy number of man-hours. It is for this reason that all hours other than those during which the windows are open for business must be spent in an intensive effort to keep pace with the heavy administrative detail.

3. During the period covered by this report, the Chief, Insurance and Claims Branch has eliminated the waiting periods for maternity and tonsillectomy benefits plus the matter of pre-existing conditions previously excluded under the master contract with GHI.

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4. In view of the activity of the Insurance Task Force working with the Insurance and Claims Branch, CIA Regulation [REDACTED] has not been approved for dissemination to the field. After making a complete study of the Agency's insurance programs and utilizing the services

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[REDACTED]

Mutual Benefit Health and Accident Association

This contract automatically includes both hospitalization and surgical benefits. During the reporting period, one hundred

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twenty-five new contracts were approved by the Branch and processed to the Underwriter, while one hundred thirteen such contracts were either cancelled or transferred to Group Hospitalization, Inc. As of 30 June 1954 there were one thousand one hundred fifty-three Mutual health insurance contracts in full force and effect. During this period, two hundred fourteen claims were received and processed.

Mutual Benefit Health and Accident Association Air Flight Insurance

1. The air flight insurance program originated in this Agency on 19 March 1954. Consequently, the only statistic available at this time is the total number of insurance contracts issued between 19 March 1954 and 30 June 1954. During that period, two hundred sixty-two such contracts were issued. No claims have arisen under this program.

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Retirement Activity

1. During the reporting period the Insurance and Claims Branch reviewed and forwarded to the Civil Service Commission thirty-one Applications for Service Credit, seventeen Applications for Refund of Deductions, six Applications for Retirement, and five Applications for Death Benefits. A comparison of the retirement activity for this reporting period with the previous six months' report ending 31 December 1953, indicates a fewer number of Applications for Service Credit processed during this period and a significant drop in the number of Applications for Refund of Deductions processed by this Branch. It is believed that the drop in the Application for Service Credit workload is due primarily to a tapering off of this activity following the great number of these applications which were submitted immediately following the publication of Agency Regulation [REDACTED]. With respect to the Applications for Refund, the decrease in this activity is due largely to the new procedure whereby Applications for Refund are handled almost exclusively by the Finance or Fiscal Division as appropriate. It is noted while the number of Applications for Death Benefits has not been significant, several of the cases wherein these applications were made also involved claims for compensation benefits under the Federal Employees' Compensation Act. As a result, the activity in coordinating cases of this sort requires

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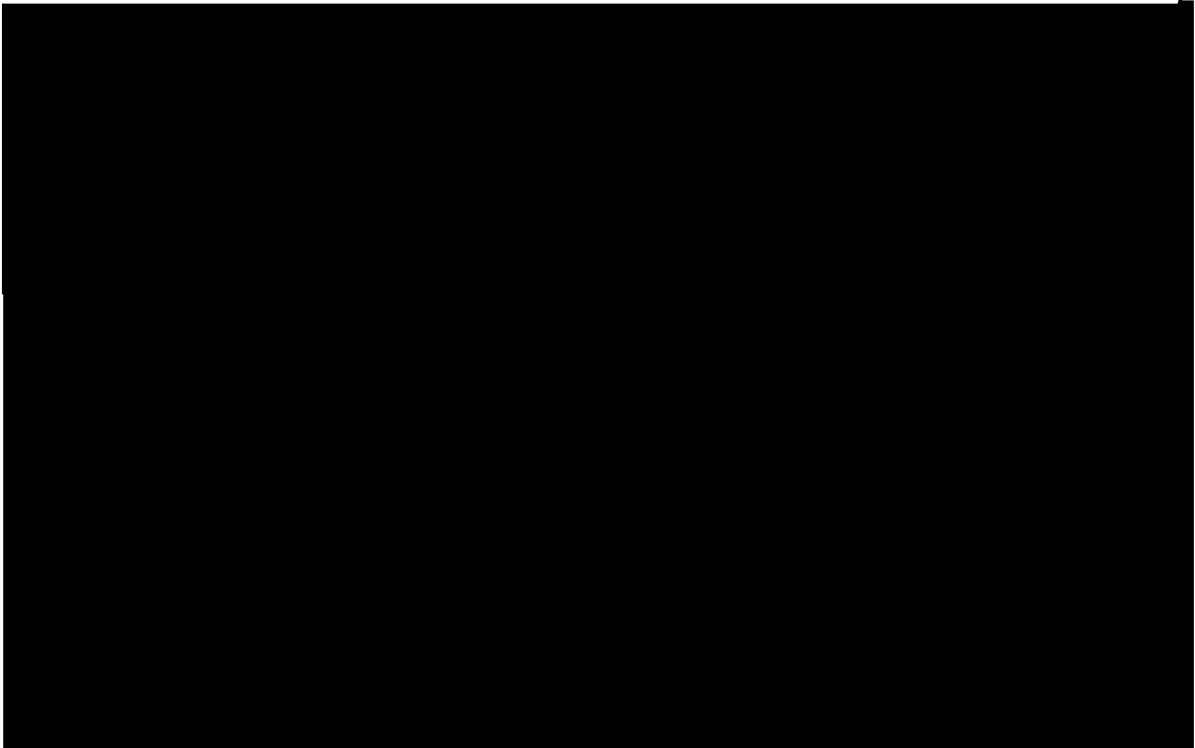
a greater man-hour output than the figure would indicate.

2. In addition, the Branch coordinated with the Office of the General Counsel the Agency authority for the payment of accumulated interest on retirement refunds made directly by the Agency for security reasons. One such case was processed during the reporting period. Future direct refund cases will be processed in the same manner.

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Missing-in-Action Cases

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Compensation and Medical Claims

1. Attached is a summary of compensation and medical claims processed by the Insurance and Claims Branch during the period 1 January 1954 to 30 June 1954. This report is comparable to the summary of compensation activity prepared for fiscal year 1953, which was designed to reveal the extent of compensation activity, the nature of claims processed, the ultimate method by which these claims were processed and the final determination made.

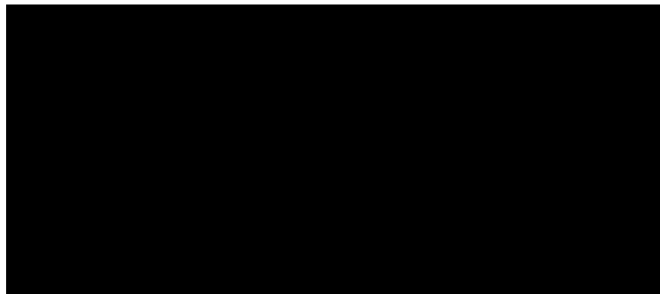
2. As shown in the attached summary, one hundred thirty-three claims were handled by the Insurance and Claims Branch during the reporting period, including thirty-one pending cases carried from the previous reporting period. For the purposes of this study, the filing of Form CA-1, Employees' Notice of Injury or Occupational Disease, or an appropriate memorandum constitutes a claim.

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3. Eighty of the total claims received were pressed by the claimants for reimbursement of medical expenses or payment of compensation for time lost from work, or both. Of these, forty-five claims were processed with the BEC on a classified or unclassified basis as the situation warranted, and thirty-five claims were processed internally. Thirty-three internal cases were processed under the provisions of Section 5(a)(5)(C) of Public Law 110 and the remaining two as BEC type cases.

4. During the reporting period, arrangements were made with a representative of the Management Improvement Staff to establish appropriate records and procedures for the publication of a more complete semi-annual statistical report on the claims activities of this Branch. These new devices have been installed. Future reports that will be issued will closely resemble reports currently published by the Department of State. These reports will contain, in addition to the statistical information contained in the attached summary, a breakdown by geographical area, by category of illness or injury and by Agency component all of the claims processed during the particular reporting period. It is anticipated that the first such detailed statistical report will be published during the month of January 1955, at which time sufficient statistical data will have been compiled.



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SUMMARY OF COMPENSATION ACTIVITY
1 January 1954 - 30 June 1954

1. Compensation Activity

Total Cases..... 133

New Claims Pressed..... 48

New Claims Not Pressed..... 53

Pending Cases From Previous Summary..... 31

Re-opened Cases (previously rejected).... 1

2. Nature of Claims Processed

Total Claims Processed..... 80

Medical Expenses..... 50

Compensation..... 7

Both..... 23

3. Ultimate Method of Processing

Total Claims Processed..... 80

BEC Cases..... 45

Internal Cases..... 35

5(a)(5)(C)..... 33

BEC Type..... 2

4. Action Taken on Claims

Total BEC Cases..... 45

Rejected..... 3

Approved..... 9

Pending..... 31

Inactive..... 2

Total Internal Cases..... 35

5(a)(5)(C)..... 33

Rejected..... 2

Approved..... 11

Pending..... 16

Inactive..... 4

BEC Type..... 2

Rejected..... 0

Approved..... 1

Pending..... 1

Inactive..... 0

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Program Plans

1 July 1954 through 31 December 1954

War Agencies Employees Protective Association

1. At the present time the Insurance and Claims Branch is negotiating a new life insurance contract with Mutual of Omaha. This contract will be finalized with the Underwriter during the month of July 1954. On or about 1 August 1954 this new life insurance plan will be made available to Agency employees. Upon the inauguration of this new program, it is anticipated that there will be a general transfer of insurance policies from WAEPA to the Mutual plan. In addition, publication of Agency Regulation [REDACTED] which has been withheld from the field pending the consummation of this new contract, will undoubtedly result in an increase in new applications for life insurance either with WAEPA or Mutual of Omaha, as the case may be.

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2. On or about 1 August 1954 the Insurance and Claims Branch will acquire Room 126A, Curie Hall. This room will be utilized as the point of personal contact for employees in applying for insurance in making premium payments and in obtaining general information concerning the new insurance programs. The developments described above will naturally result in a tremendous increase in the insurance activity of this Branch.

Group Hospitalization, Incorporated

A new and vastly superior hospitalization insurance contract, also underwritten by Mutual of Omaha, will be made available to Agency employees on or about 1 August 1954. It is anticipated that in view of the increased benefits offered under this contract that there will be a significant transfer of policies from GHI to the new Mutual plan. This will naturally result in an increase in the administrative handling of the termination of these GHI contracts and the acceptance of the new Mutual policies.

Mutual Benefit Health and Accident Association

As indicated above with respect to the other insurance programs, it is obvious that there will be tremendous activity within the Insurance and Claims Branch upon the inauguration of the new and improved Mutual contract. This activity will be caused largely through the transfer of policies from Group Hospitalization, Inc. and the present Mutual plan into the new Mutual plan. In addition, there will undoubtedly be some increase in over-all hospitalization policies through the publication of Agency Regulation [REDACTED] and its ultimate dissemination to the field.

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Mutual Benefit Health and Accident Association Air Flight Insurance

While no significant developments in this program are anticipated immediately, as soon as time allows and following the inauguration of the new life insurance and hospital insurance programs, efforts will be made to consummate an agreement with Mutual of Omaha, underwriter for this program. Preliminary negotiations have already been made with a view to securing a contract which will enable personnel of this Agency participating in frequent air flights to obtain this air flight coverage on an annual basis.

Retirement Activity

It is anticipated that retirement activity will gradually increase in the future due to the fact that CIA is young as an Agency and its personnel are, in general, relatively young in terms of years. As the Agency and its personnel grow older, it is obvious that retirement activity will gradually increase.

Missing-in-Action Cases

1. By the very nature of these cases, it is practically impossible to predict, in advance the number of such cases that will be handled at any given time in the future, for such a prediction would require speculation on matters of an operational nature which the Insurance and Claims Branch is not in a position to venture official prognostication. Assuming a status quo operational position, however, no increase in the MIA activity of this Branch is foreseen within the near future.

2. However, the Branch proposes to further formalize procedures for the handling of future MIA cases as they may arise. These procedures will be based, where appropriate, upon the procedures of the casualty branches of the military components of the Department of Defense and the experience of this Branch in the handling of recent MIA cases. Several trips have already been made to the various casualty branches to inspect their operations. It is believed that in the event of actual war or extreme national emergency, this Branch could set up appropriate procedures for the handling of a large case load of MIA cases, with the acquisition of additional personnel, in a relatively short period of time.

Compensation and Medical Claims

1. In the program plans in the previous semi-annual report it was indicated that with the publication of Agency Regulation [REDACTED] a significant increase in the compensation and medical claims activity was anticipated. Inasmuch as this Regulation still has not been published, the anticipated increase has not occurred. However, since the Office of Personnel has been successful in recent months in securing

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copies of most of the cable traffic carried on by the Agency, a great amount of time has been spent by the Claims Section of the Branch in reviewing all cable traffic. It is felt that in the absence of a regulation covering the 5(a)(5)(C) medical program a review of cable traffic is the only means by which the Office of Personnel can call to the attention of its employees this important overseas benefit. In addition, many BEC cases which would not otherwise have been reported to the Office of Personnel by the division concerned are picked up in this manner. A review of all cable traffic involving the illness, injury or death of Agency personnel naturally results in the expenditure of many man-hours of work which are not reflected in the statistics of the claims activity of the Branch, for many of these cases do not result in actual claims.

2. As stated in the previous semi-annual report, the Branch anticipates that with the publication of Agency Regulation [REDACTED] the number of claims that will be processed under the provisions of Section 5(a)(5)(C) will probably double and possibly triple during the next fiscal year. Inasmuch as there has been for some time an Agency Regulation on the subject of claims for FECA compensation benefits, and the above report shows no significant increase in the submission of BEC claims, it is believed that there will again be no unusual increase in the number of BEC claims filed during the next reporting period.

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